

**FFIEC-APPRAISAL SUBCOMMITTEE
MEETING MINUTES [PUBLIC]
DECEMBER 9, 2004**

ATTENDEES: G. Gibbs (FRB), T. James (NCUA), J. Johnson (HUD), J. Leitner, (FDIC Voting Alternate), D. Merkle (OTS). **Permanent staff:** B. Henson (Executive Director), D. Graves (Appraisal Policy Manager), V. Ledbetter (Appraisal Policy Manager), L. Schuster (Administrative Officer), R. Seward (Information Management Specialist), M. Weinberg (General Counsel).

ABSENT: S. Fritts (FDIC), D. Patel (OCC), J. Tidwell (Appraisal Policy Manager).

The meeting was called to order at 10:30 a.m.

ADMINISTRATIVE MATTERS

APPRAISAL FOUNDATION

Dave Bunton, John Brennan, Carla Glass, Sandy Guilfoyle, and Cathy Johnson of the Appraisal Foundation were present to discuss the 2005 Grant Request. S. Guilfoyle presented the Appraisal Qualifications Board's ("AQB") 2005 Business Plan. She reported that the AQB would be involved in two major undertakings. First, the AQB would be working with the ASC and States regarding implementation of the January 1, 2008 criteria changes. Second, the AQB is embarking on a project to create uniform State appraiser examinations. (D. Merkle joined the meeting via telephone). C. Glass presented the Appraisal Standards Board's ("ASB") 2005 Business Plan. The ASB plans to focus on the Scope of Work and Role of Departure, as well as revisions to Standards 9 and 10. D. Bunton reported on the Foundation's special project grant request to develop Uniform State Certification Examinations for the State licensure and certification of real property appraisers. After questions by ASC members and further discussion, the Appraisal Foundation staff thanked the ASC for its time and departed.

- **Meeting Minutes** – J. Leitner moved for approval of the November 10th minutes with edits, and J. Johnson seconded; all members present agreed.

ACTION

- **Appraisal Foundation 2005 Grant Request** – B. Henson presented a summary of the Foundation's 2005 grant proposal, including comparisons to the 2004 grant. He reported that the ASC had approved a temporary 2005 grant amount of \$925,000 at its September meeting. The Foundation is requesting \$925,314. D. Merkle asked if the grant would be funded through operating income or reserves. B. Henson responded that it would be funded through operating income. After further discussion, T. James moved to approve the request in the amount of \$925,314 and D. Merkle seconded; all members present agreed.
- **Appraisal Foundation 2005 Special Project Grant Request** – B. Henson presented the Special Project request to develop a uniform State certification examination. G. Gibbs noted

that this is a long-term commitment by the Foundation, not a one-year project, and that this is a worthwhile venture. It was noted that the exam would be provided to the States at no charge. The other ASC members agreed. B. Henson reported that any test provider or State could develop an exam, but the AQB must validate it. The AQB puts together a panel of subject matter experts and a psychometrician to review the exam. G. Gibbs stated that uniform exams provided by the AQB would lift the burden from States to pay to have exams validated. After further discussion, J. Leitner made a motion to approve the concept, to provide initial funding for 2005, and to consider the AQB's funding as purchase orders are drafted and the bids are received and accepted. T. James seconded and all members present approved.

- **Appraisal Foundation August 2004 grant reimbursement request** – B. Henson presented the August request and, after discussion, recommended payment. G. Gibbs asked if ASC staff could disseminate products covered in the request that may be of interest to the ASC members. B. Henson said that he would do so. J. Leitner moved for approval of the request in the amount of \$39,611. J. Johnson seconded, and all members present approved.
- **District of Columbia field review report and draft letter** – B. Henson reported that the D. C. report and letter had been tabled at the September meeting pending a meeting between ASC staff and staff from the D.C. Government. B. Henson, M. Weinberg, and V. Ledbetter met with D.C. staff on November 19th. Discussions at the meeting centered on the District's two most serious areas of concern: failure of the Board to carry out its Title XI responsibilities due to an inability to achieve a quorum; and failure to investigate and resolve complaints in a timely manner. After further discussion, J. Leitner moved to accept the field review report and to revise the letter and send it out for notation vote. T. James seconded, and all members present approved.
- **Ohio follow-up field review report and draft letter** - B. Henson presented the draft follow-up field review report and letter. After discussion, J. Johnson moved to accept the field review report, and to approve the letter, with edits, designating authority to the Executive Director to review and sign the letter. J. Leitner seconded, and all members present approved.

OTHER

- The meeting adjourned at 2:00. The next meeting is scheduled for January 13, 2005.